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UNCLAS LAGOS 000019

SIPDIS

STATE FOR AF/W
STATE FOR EB/ESC/IEC/ENR/BLEVINE
STATE FOR DS/IP/AF
STATE FOR INR/AA
STATE PASS DOE FOR DAS JBRODMAN AND CGAY
STATE PASS TREASURY FOR ASEVERENS AND SRENANDER
STATE PASS DOC PHUEPER
STATE PASS TRANSPORTATION MARAD
STATE PASS USAID FOR GWEYNAND AND SLAWAETZ
STATE PASS EX-IM FOR JRICHTER
STATE PASS OPIC FOR CDUFFY
STATE PASS TDA FOR BTERNET

E.O. 12958: N/A

TAGS: [EPET](#) [EINV](#) [CASC](#) [MOPS](#) [NI](#)

SUBJECT: SHELL, CHEVRON RE-STARTING PRODUCTION IN KULA AREA

REF: A) LAGOS 2446 B) LAGOS 2456 C) LAGOS 2560 D) LAGOS 2588

Shell to Re-Start Production in Kula Region

1. Shell External Relations Director Don Boham confirmed to us on 5 January that Shell has reached an accord with the community in the Kula area to allow about 114,00 barrels/day of oil production, halted in early December 2004, to re-start. Shell remains in negotiations with the community concerning a Memorandum of Understanding (MOU). However, Boham noted that the community had agreed to allow production to begin before concluding an agreement, "as a gesture of goodwill." He noted that Shell is now conducting process checks on its facilities in Ekulama and Egbema, with an eye towards re-starting production within the week.

Chevron Already Pumping Again in Kula

2. Chevron Texaco (CT) General Manager for Public and Government Affairs Femi Odumago confirmed CT has re-started production at its Robert-kiri flow station, while continuing to negotiate an MOU with the community that disrupted operations at the station in early December. Chevron had reported between 10,000 and 20,000 barrels of day of production had been halted due to this occupation and detention of its workers.

BROWNE